Armor Minerals Inc.

Management's Discussion and Analysis

For the years ended March 31, 2020 and 2019

INTRODUCTION

This management's discussion and analysis ("MD&A") of Armor Minerals Inc. (the "*Company*", "*Armor*", "*we*", "*us*", or "*our*") covers the year ended March 31, 2020, with comparative information for the year ended March 31, 2019.

This MD&A takes into account information available up to and including July 17, 2020. This MD&A should be read in conjunction with the accompanying audited consolidated financial statements and notes for the year ended March 31, 2020 ("financial statements"), which are available on the Company's website at www.armorminerals.com and under the Company's profile on the SEDAR website at www.sedar.com.

The Company has prepared the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All dollar amounts reported herein are in Canadian dollars unless indicated otherwise.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this document constitutes forward-looking statements. All statements, other than statements of historical facts, are forward looking statements, including without limitation, statements with respect to the Company's expectations for obtaining new funding and the success of exploration activities. Forward-looking statements are often, but not always, identified by the use of words such as *may*, *will*, *seek*, *anticipate*, *believe*, *plan*, *estimate*, *budget*, *schedule*, *forecast*, *project*, *expect, intend*, or similar expressions. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Such factors include, among others, uncertainties related to financings and the other risks associated with being a mineral exploration company, as well as those factors discussed elsewhere in this MD&A. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Unless otherwise indicated, forward-looking statements contained herein are as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable law.

DESCRIPTION OF BUSINESS

Armor is incorporated in British Columbia, Canada. The Company's head office is located at Suite 555 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1. The consolidated financial statements as at March 31, 2020 consist of Armor and its wholly owned subsidiary, Armor Minerals (US) Inc. ("Armor US") organized under the laws of Virginia. The Company is publicly traded with shares listed on the TSX Venture Exchange (the "TSX-V") under the symbol "A".

The Company is engaged in the acquisition and exploration of mineral property interests. Currently, Armor does not have any mineral producing properties or any revenues from operations.

In October of 2015, the Company signed a definitive Earn-in Agreement (the "Agreement") with Jack's Fork Exploration, Inc. ("Jack's Fork"), to acquire up to an 80% joint venture interest in the Warmister and Tower Hill gold properties (the "Properties") located in Virginia, USA. In February of 2017 in accordance with the Agreement, Armor gave thirty days' advance notice of termination to Jack's Fork. As of the date of termination, the Company incurred expenditures totaling US$455,040 and earned a 10% interest in the Properties.

The Company does not have any exploration projects as at March 31, 2020 but is actively seeking new exploration projects and properties by way of acquisition or staking new areas.

CORPORATE MATTERS

During the year ended March 31, 2020, the Company has evaluated mineral projects for potential acquisition; however, did not make any acquisitions or engage in active mineral exploration. Similarly, Armor was not engaged in active mineral exploration in the previous fiscal year.

In April 2020, 25,618,106 share purchase warrants were exercised for total proceeds of $1,280,905.

(Expressed in Canadian dollars, unless otherwise noted)

SELECTED ANNUAL FINANCIAL INFORMATION

Information for the three years ended March 31, 2020, 2019 and 2018, as extracted from the Company's audited financial statements, is presented as follows:

	March 31, 2020	March 31, 2019	March 31, 2018
Net loss	$ 242,498	$ 137,276	$ 75,599
Basic and diluted net loss per share	$ 0.00	$ 0.00	$ 0.00
Cash and cash equivalents	$ 387,056	$ 701,878	$ 536,719
Total assets	$ 405,822	$ 713,615	$ 561,635
Total liabilities	$ 27,449	$ 92,738	$ 43,497

Net loss for the year ended March 31, 2020 increased from the prior fiscal years due to an increase in corporate activity related to evaluation of mineral projects.

Cash and cash equivalents and total assets increased at March 31, 2019 compared to March 31, 2018 primarily due to $240,000 in proceeds related to the exercise of share purchase warrants of the Company.

Total liabilities increased at March 31, 2019 compared to the prior fiscal year primarily due to an increase in accounts payable and accrued liabilities at March 31, 2019.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

	Net loss For the year ended March 31,			Net loss per share For the year ended March 31,		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Q1	$ 36,444	$ 14,055	$ 16,935	$ 0.00	$ 0.00	$ 0.00
Q2	113,741	25,871	29,423	0.00	0.00	0.00
Q3	64,309	34,549	13,060	0.00	0.00	0.00
Q4	28,004	62,801	16,181	0.00	0.00	0.00
Total	$ 242,498	$ 137,276	$ 75,599	$ 0.01	$ 0.00	$ 0.00

The most significant factors influencing the Company's quarterly results over the last eight quarters are:

- Salaries and benefits of $50,389 in the second quarter and $38,478 in the third quarter of fiscal 2020 and professional fees of $25,825 in the second quarter of fiscal 2020 related to an increase in the Company's activities in evaluating mineral projects for potential acquisition.
- Professional fees of $37,492 in the fourth quarter of fiscal 2019 which primarily relate to legal fees associated with a share transfer.
- Lower net loss in the fourth quarter of fiscal 2020 and certain quarters of fiscal 2018 and 2019 due to an absence of active mineral exploration.

COSTS EXPENSED, NET LOSS AND COMPREHENSIVE LOSS

Quarter ended March 31, 2020 compared to the quarter ended March 31, 2019

The Company reported a net loss of $28,004 for the three months ended March 31, 2020, compared to a net loss of $62,801 for the three months ended March 31, 2019. The decrease in net loss is primarily attributable to a decrease in professional fees as less legal services were incurred in fiscal 2020, partially offset by an increase in salaries and benefits expense in the fourth quarter of fiscal 2020, related to an increase in corporate activity.

Year ended March 31, 2020 compared to the year ended March 31, 2019

For the year ended March 31, 2020, the Company recorded a net loss of $242,498 ($0.01 per share), compared to $137,276 ($0.00 per share) in fiscal 2019. The increase in net loss for the year ended March 31, 2020 compared to the previous fiscal year mainly reflects the increase in salaries and benefits expense related to evaluating mineral projects for potential acquisition, as well as the depreciation of right-of-use assets, offset by a decrease in professional fees.

(Expressed in Canadian dollars, unless otherwise noted)

Salaries and benefits expense of $124,112 in fiscal 2020, increased from $23,391 in fiscal 2019. Salaries and benefits expense represents the allocation at cost of salary charges from a related management company (see "Related Party Transactions", subsequently in this MD&A). Personnel employed by the management company work on several public companies and accordingly, the cost charged to Armor will vary with the amount of time incurred on the Company's affairs. The increase in salaries and benefits is mainly due to the increase in time spent on evaluating mineral projects for potential acquisition.

General office expenses of $33,671 in fiscal 2020, increased from $20,942 in fiscal 2019. This increase was mainly due to higher rent and office expenses allocated to the Company as it increased its corporate activity. The rent expense, until January 2, 2020, was recorded in accordance to the IFRS 16 where the lease payments for on-balance sheet leases are allocated between interest expense and a lease liability.

The Company recognized depreciation of right-of-use assets of $23,580 and interest on lease liabilities of $11,823 in fiscal 2020, compared to $nil for both expenses in fiscal 2019.

Professional fees of $35,476 in fiscal 2020, decrease from $71,054 in fiscal 2019. The decrease was mainly due to less legal services incurred during the year ended March 31, 2020.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2020, the Company had cash and cash equivalents of $387,056 compared to $701,878 at March 31, 2019. The decrease reflects the Company's increased operational costs incurred during the year ended March 31, 2020.

The Company used $277,283 for operating activities in fiscal 2020, which increased from $89,708 in fiscal 2019. The increase is primarily attributable to the increase in corporate activity, previously discussed, and the timing of receipts and payments from non-cash working capital items.

The Company has cash outflow from financing activities of $35,385 in fiscal 2020 related to the payment of lease liabilities, compared to cash inflow from financing activities of $240,000 in fiscal 2019 which was related to the exercise of share purchase warrants of the Company.

Cash outflow from investing activities of $2,150 in fiscal 2020 represents advances to a related management company (see "Related Party Transactions", subsequently in this MD&A), as a contribution towards the Company's share of jointly owned assets held by the management company. This compares to advances of $14,859 from the related management company in fiscal 2019.

At March 31, 2020, the Company had cash and cash equivalents of $387,056, working capital of $378,730, net loss for the year ended March 31, 2020 of $242,498, and a deficit of $31,488,328. Subsequent to March 31, 2020, 25,618,106 share purchase warrants were exercised for total proceeds of $1,280,905. Based on anticipated cash flows, the Company is expected to have sufficient resources to meet its committed expenditures for the next twelve months. On March 11, 2020, the novel coronavirus outbreak ("COVID-19") was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company's business are not known at this time. The Company's ability to obtain equity financing could be impacted, as well as the Company's ability to explore and conduct business.

COMMITMENTS

At March 31, 2020, the Company had contractual cash flow commitments as follows (see "Related Party Transactions" for the Company's obligation for future rental payments subsequent to year-end):

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Accounts payable and accrued liabilities	$ 13,487	$ –	$ –	$ –	$ 13,487
Deferred liability	8,075	5,383	–	–	13,458
Office lease obligations	21,300	23,800	–	–	45,100
	$ 42,862	$ 29,183	$ –	$ –	$ 72,045

SHARE CAPITAL INFORMATION

As at July 17, 2020, the Company had an unlimited number of common shares authorized for issuance of which 69,937,121 are currently issued and outstanding. Also, on July 17, 2020, the Company had 7,500,000 warrants issued and outstanding with a weighted average exercise price of $0.23.

(Expressed in Canadian dollars, unless otherwise noted)

PROPOSED TRANSACTIONS

There are no undisclosed proposed transactions that will materially affect the performance of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any material off-balance sheet arrangements, other that the Company's obligation for future rental payments described in "Related Party Transactions".

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management includes the Company's directors and certain senior management. For the year ended March 31, 2020, the Company paid salaries and benefits of $60,996 to key management personnel (March 31, 2019 – $9,717).

Related party transactions

On March 1, 2015, the Company entered into an arrangement to share office space, equipment, personnel, consultants and various administrative services with other companies related by virtue of certain directors and management in common. These services have been provided through a management company equally owned by each company party to the arrangement. Costs incurred by the management company are allocated and funded by the shareholders of the management company based on time incurred and use of services. If the Company's participation in the arrangement is terminated, the Company will be obligated to pay its share of the rent payments for the remaining term of the office space rental agreement. The Company's obligation for future rental payments on March 31, 2020 was approximately $106,000, determined based on the Company's average share of rent paid in the immediately preceding 12 months.

The Company was charged for the following with respect to these arrangements in the years ended March 31, 2020 and 2019:

		2020		2019
Salaries and benefits	$	123,943	$	23,391
General office expenses[1]		31,665		27,886
Listing and filing fees		3,307		3,928
Investor relations		6,972		652
Professional fees		–		594
Travel		1,301		9,906
	$	167,188	$	66,357

[1]The Company's lease payments are administered by the management company.

At March 31, 2020 due to related party includes $504 (March 31, 2019 – $13,932) with respect to these arrangements.

The amount due from related party at March 31, 2020 of $5,026 (March 31, 2019 – $2,876) relates to the Company's share of jointly owned assets (primarily security deposits, leasehold improvements, and furniture and equipment) held by the management company.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in its consolidated financial statements for the year ended March 31, 2020. The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below.

- Functional currency – The Company and its subsidiaries have to determine their functional currencies based on the primary economic environment in which each entity operates. In order to do that, management has to analyse several factors, including which currency mainly influences the cost of undertaking the business activities, in which currency the entity has received financing, and in which currency it keeps its receipts from operating activities. Management uses its judgment to determine which factors are most important, when the above indicators are mixed and the functional currency is not obvious.
- Options and warrants – The fair value of options and warrants is determined on the grant date. In order to compute the fair value, the Company uses the Black-Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life, expected volatility, expected dividend yield and the risk-free interest rate, as well as the number of options or warrants expected to be exercised.

Refer to note 2 of the consolidated financial statements for the year ended March 31, 2020 for the significant judgments related to IFRS 16.

CHANGE IN ACCOUNTING STANDARDS INCLUDING INITIAL ADOPTION

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financing Reporting Interpretations Committee ("IFRIC"). Some updates that are not applicable or are not consequential to the Company may have been excluded.

IFRIC 23, *Uncertainty over Income Tax Treatments*

On June 7, 2017, the IASB issued IFRIC Interpretation 23 ("IFRIC 23") – *Uncertainty over Income Tax Treatments*. IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. IFRIC 23 was adopted on April 1, 2019. The adoption of this standard had no impact on the financial statements.

IFRS 16, *Leases*

In January 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16") which sets out principles of recognition, measurement, presentation and disclosure of leases for both parties to a contract, the lessee and the lessor. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead there is a single, on-balance sheet, accounting model that requires the recognition of a right of use asset and corresponding lease liability for all arrangements that meet the definition of a lease. IFRS 16 was adopted on April 1, 2019 using the modified retrospective approach under which the cumulative effect of initial application is recognized in deficit with no restatement of comparative figures.

Impact of transition to IFRS 16

The Company has applied IFRS 16 using the modified retrospective approach and, accordingly, the comparative information has not been restated and continues to be reported under IAS 17 and related interpretations.

On transition to IFRS 16, the Company elected to apply the new definition of a lease to all its contracts.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

There were no leases classified as finance leases at transition.

On initial application, the Company recognized right-of-use assets of and lease obligations of $77,503. When measuring lease liabilities, the Company discounted the remaining lease payments using its incremental borrowing rate at April 1, 2019. The weighted-average rate applied was 20%.

The following table reconciles the Company's operating lease obligations at March 31, 2019, as previously disclosed in the Company's consolidated financial statements, to the lease obligations recognized on initial application of IFRS 16 at April 1, 2019.

		Office Space
Operating lease commitments at March 31, 2019	$	122,200
Recognized under new lease definition		(21,607)
	$	100,593
Discounted using the incremental borrowing rate at April 1, 2019		(23,090)
Lease liabilities recognized at April 1, 2019	$	77,503

FINANCIAL INSTRUMENTS

The Company's financial instruments are classified into the following categories of financial assets and liabilities (shown at carrying value):

		March 31, 2020		March 31, 2019
Financial assets				
Loans and receivables at amortized cost				
Cash and cash equivalents	$	387,056	$	701,878
Amounts receivable		5,456		2,261
Due from related party		5,026		2,876
Total financial assets	$	397,538	$	707,015
Financial liabilities				
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	$	13,487	$	57,273
Due to related party		504		13,932
Deferred liability		13,458		21,533
Total financial liabilities	$	27,449	$	92,738

The fair values of the Company's financial instruments in the table above approximate their carrying values.

RISKS AND UNCERTAINTIES

Financial statement risk exposure

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and a small portion of its expenses are incurred in U.S. dollars. The Company is not exposed to significant foreign currency risk on fluctuations related to cash and accounts payable liabilities that are denominated in United States dollars ("US$"). The Company does not use derivatives or other techniques to manage foreign currency risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from cash held with banks and financial institutions, as well as credit exposure on outstanding amounts receivable. The Company manages its exposure to credit risk by holding its cash through Canadian chartered banks. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the investments included in cash is limited. Based on the amount of cash invested as at March 31, 2020 and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an insignificant impact in the interest earned by the Company per annum.

Liquidity risk

Liquidity risk arises through excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or obtain debt financing. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

Risk factors

The Company currently has no revenues from operations. Should the Company decide to explore or acquire other mineral property interests it will require additional funding, which the Company will likely seek from the equity markets. There can be no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described in the Company's MD&A for the year ended March 31, 2019 and the other information filed with the Canadian securities regulators, which are available on SEDAR at www.sedar.com, before investing in the Company's common shares. The risks described in the above-noted documents are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business. If any of these risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose part or all of their investment.

Armor Minerals Inc.

Corporate Information

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Officers	Richard Warke – Chief Executive Officer and President Linda Chang – Chief Financial Officer Susy Horna – Corporate Secretary
Registrar & Transfer Agent	Computershare Investors Services Inc. #401 – 510 Burrard Street Vancouver, BC V6C 3B9
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